Financial Crimes Enforcement Network
U.S. Department of the Treasury

Washington, D.C. 20220

<u>IMPORTANT NOTICE TO BSA DISCRETE AND XML BATCH E-FILERS</u>

Effective Date for Persons Involved in Transaction Update Extended to September 1, 2020

The mandatory effective date for complying with the update below is extended from February 1, 2020 to September 1, 2020.

January 17th, 2020 –FinCEN is extending the mandatory effective date for complying with the instructions below. On October 1, 2019, FinCEN notified discrete and XML batch e-filers that an issue had been identified with the Currency Transaction Report (CTR) instructions involving how to file a CTR when an individual subject has multiple Part I Item 2 roles. As described in the notice dated October 1, 2019, the instructions for this scenario previously stated:

> If more than one Item 2 option applies to a person involved in the transaction(s), complete only one Part I on that person with only one entry in Item 2. Select "Common Carrier" if multiple options that include 2d "Common Carrier" apply. Select 2a "Person conducting transaction on own behalf" if options 2a, 2b, and 2c or options 2a and 2b or options 2a and 2c apply. Select 2b "Person conducting transaction for another" if both 2b and 2c apply.

These instructions led to CTRs being rejected due to not having a 2c owner record, and CTRs being filed that do not allow users of the BSA data to fully understand the transactions that are being reported. Following a thorough review by the FinCEN Data Integrated Product Team, a change to the line item instructions for Item 2 of the CTR was implemented. There are no form changes to the CTR. This change may require updates to software used to create batch files to comply with this instruction change and in view of this FinCEN initially proposed a deadline for updating batch filing of October 1, 2019, and a mandatory effective date of February 1st, 2020.

The mandatory effective date for complying with the update below is extended from February 1, 2020 to September 1, 2020.

The revised instructions for completing Item 2 of the CTR are as follows:

***2. Person involved in transaction(s)**

a. Person conducting transaction on own behalf
b. Person conducting transaction for another
c. Person on whose behalf transaction is conducted
d. Common Carrier

Item 2: Select option 2a if the person recorded in Part I conducted the transaction(s) on his or her own behalf. Select option 2b if the person recorded in Part I conducted the transaction(s) on behalf of another person. Options 2a and 2b cannot be selected if box 4b, "If entity" is checked. Select option 2c if the transaction was conducted by another for the person recorded in Part I. If option 2d is selected because an armored car service under contract with the customer is involved in the transaction(s), the information on the armored car service, not the individual agent of that armored car service, will be recorded in Part I (see FIN-2013-R001). If box 2d is checked to indicate an armored car service under contract with the customer then box 4b, “If entity” must be checked. If more than one Item 2 option applies to a Part I person, a separate Part I section will be prepared on that person for each Item 2 option. For example, if the Part I person makes a $5,000 deposit into their personal account and a separate $7,000 deposit into the account of another person/entity, there will be one Part I on that person reporting option 2a on the personal deposit with that amount and account number in Item 21 “Cash in amount”. There will be a second Part I on that person reporting option 2b on the person/entity account transaction with that amount and account number in Item 21.

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If you have any questions or concerns regarding this notice, you may contact the BSA E-Filing Help Desk for assistance by opening a support request ticket here. The Help Desk is available Monday through Friday from 8 a.m. to 6 p.m. EST. Please note that the Help Desk is closed on Federal holidays.